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4CP SECRET

NSC BRIEFING

4 October 1954

SITUATION IN SCUTH KOREA

- I. The present period in South Korea, which Ambassador
 Briggs terms "disquieting and dangerous," is a highly
 critical one in US-South Korean relations.
- II. Rhee has not yet agreed to sign the draft minute of understanding which calls for South Korea's co-operation in return for the proposed american aid program.
 - A. He apparently intends to bargain hard over the minute. His tactics were suggested in a recent statement that action on the minute must await settlement of South Korea's differences with Japan-something he has no intention of doing.
- III. He has ignored strong US representations to cease his public attacks on American policies and officials.
 - A. Since returning from his Washington visit, he has charged American officials with being "pro-Japanese."
 - B. He misrepresents the troop withdrawals as abandonment".
 - C. He describes American economic and military aid as inadequate and improperly administered. (These

statements being used by Pyongyang radio)

State Dept. review completed

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- D. He belittles the Manila Pact.
- 3. This campaign is a standard Rhee tactic to pressure the US into accepting his views.
- IV. On 1 October, he cut off the supply of local currency to the UN Command, in an effort to force the US to accept his unrealistic 100-1 exchange rate.
- V. We is also threatening action in the international field which could be embarrassing to the US.
 - office, that the "Communist spies" (Czech, Pelish members of NNSC teams) must be expelled forthwith.

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- B. He is continuing his public vilification of Japan, put armed troops on disputed Liancourt Rocks, and continuing to seize Japanese fishing vessels.

 Rejected offer to submit Liancourt dispute to ICJ.
- the 16-nation report concerning the Korean political conference, thus breaking the united front and giving the Communists a good propagands issue.

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- VII. Shee appears depressed an uncertain about which way to turn. He told Ambassador Briggs on 27 September that the time had come for South Korea to "decide it. own course," but added no decision had yet been made. Later he said South Korea was in "great peril" and that unification under the Communis's was, perhaps, better than no unification at all.
- VIII. It remains possible that these threatening developments are designed primarily for psychological pressure on the US government, to gain the objectives Rhee was unable to attain by direct diplomacy.
 - A. However, thee is resentful and emotionally disturbed over the failure of his Washington visit to change American policies, and angry over the troop withdrawals.
 - B. His present agitated mood could result in dangerous Approved For Release 2004/07/08: CIA-RDP79R00890A000400020004-7 and irrational conduct.

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